



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Dave Syverson, Treasurer
Illinois Republican Party
P.O. Box 78
Springfield, IL 62705

JUN 05 2002

Identification Number: C00005926

Reference: Year End Report (7/1/01-12/31/01)

Dear Mr. Syverson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

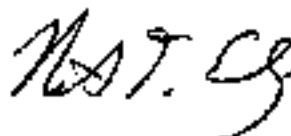
-Schedule H4 of your report discloses the transfer-out of the federal portion of an in-kind donation received for allocable activity. Advisory Opinion 1992-33 discloses a detailed method for reporting the receipt and use of in-kind contributions. Please amend your report to provide the following:

1. The transfer of the in-kind corporate contribution from the non-federal account to the federal account should be disclosed on Schedule H3. The itemization on Schedule H3 should include the date the Committee received the in-kind contribution, the amount of the contribution and the fundraising event involved.
2. The use or expenditure of in-kind corporate contributions should be disclosed on Schedule H4 as non-federal share disbursements. The itemization should provide the same donor identification information required on a Schedule A for in-kind contributions for Federal elections.

A response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designation and reports) in an electronic format and must submit an amended report in its

entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

A handwritten signature in dark ink, appearing to read "N.T. Ebinger". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Nicholas T. Ebinger
Reports Analyst
Reports Analysis Division

"Disbursement" of In-Kind Donation (H4)

Like in-kind contributions, in-kind donations must be reported as both receipts and disbursements so as not to inflate the cash-on-hand balance. (The disbursement side reflects the use or "expenditure" of the resources.) Schedule H4 is used for the disbursement entry, which shows the \$5,000 in-kind donation as a 100 percent nonfederal disbursement. The donor's name and address is disclosed in the box generally used for payees.

Transfer from Federal Account (H4)

The second entry on Schedule H4 shows the contemporaneous transfer of \$2,500 (the federal share of the donation) from the federal account to the nonfederal account. The explanation of the transfer is described in the "Purpose" box, with a reference to the previous entry.

Alternative Reporting Method

To minimize entries and avoid duplication, a committee may use alternative methods to report transactions relating to in-kind donations.

The committee may use one entry on Schedule H3 to show the receipt of all in-kind donations made within the same reporting period for a particular fundraising program or event (or administrative activity).

The committee may also use one entry on Schedule H4 to show total federal payments (transfers) made on the same day for the federal share of in-kind donations.

Example

A committee receives two in-kind donations from prohibited sources for a mixed federal/nonfederal fundraising event, "July Fundraiser":

- Invitations donated by XYZ Printers, Inc. (value: \$3,000) received on July 1; and
- Balloons donated by ABC Balloons, Inc. (value: \$1,000) received on July 15.

The fundraising ratio for "July Fundraiser" is 50 percent federal, 50 percent nonfederal. The federal account transfers its \$2,000 share of the two donations on July 1.

DISBURSEMENT OF IN-KIND DONATION; FEDERAL TRANSFER (H4)

DISBURSEMENT SCHEDULE H4 Nonfederal		JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE		PAGE 1 OF 1	
				FOR LINE 21a	
NAME OF COMMITTEE State Party Committee					
A. FULL NAME, ADDRESS AND ZIP CODE Flowers by Eternity, Inc. 2010 Main Highway City, State ZIP		B. PURPOSE/REASON flowers for Chairman's Gifts		C. DATE 10/1/98	
D. FULL NAME, ADDRESS AND ZIP CODE State Party Committee 445 Democracy Blvd. City, State ZIP		E. PURPOSE/REASON Transfer of federal share (see above)		F. DATE 10/1/98	
G. CATEGORY: <input type="checkbox"/> ADMINISTRATIVE/OTHER <input type="checkbox"/> BUDGETARY <input type="checkbox"/> OTHER		H. EVENT/TRANSACTION: <input type="checkbox"/> 1. L. QUANTITY: <input type="checkbox"/> 2. DIRECT CONTRIBUTION <input type="checkbox"/> 3. INDIRECT		I. TOTAL AMOUNT \$5,000.00 In-Kind	
J. TOTAL AMOUNT \$2,500.00		K. FEDERAL SHARE \$2,500.00		L. NON-FEDERAL SHARE \$2,500.00	

The first entry shows the "disbursement" of the \$5,000 in-kind donation by the nonfederal account. The second entry shows the federal account's transfer of its share of the donation (50 percent or \$2,500) to the nonfederal account.

Schedule H3—Receipt of In-Kind Donations

The committee uses one entry on Schedule H3 to show the total in-kind donations for "July Fundraiser" received during the reporting period. The "date of receipt" shows the period during which the committee received the contributions. The "July Fundraiser" entry cross references the Schedule H4 entries showing the "disbursement" of the donations and the identity of the contributors.

RECEIPT OF IN-KIND DONATIONS (H3)

NAME OF ACCOUNT NonFederal Account		DATE OF RECEIPT 7/1-7/15/98		\$4,000.00	
		BREAKDOWN OF TRANSFER RECEIVED			
		NON-FEDERAL DONOR ACCOUNT	DIRECT FEDERAL FINANCIAL AID	INDIRECT ACTIVITIES/OTHER SUPPORT	
1. Total Available for Use					
2. Direct Federal Financial Aid Received for Total					
a. July Fundraiser			\$3,000.00		
b. ABC Balloons, Inc. (July 15)					
c. XYZ Printers, Inc. (July 1)					
d. Total					

The \$4,000 in-kind transfer represents a \$3,000 donation received on July 1 and a \$1,000 donation received on July 15. The entry notes the Schedule H4 entries where information on the donations is available.

